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Bruce  
5/12/17

**CS FOR HOUSE BILL NO. 173( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**THIRTIETH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES JOSEPHSON, Tarr**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing the Alaska Climate Change Response Commission; relating to the**  
2 **powers and duties of the Alaska Climate Change Response Commission; establishing the**  
3 **climate change response fund; and establishing a surcharge on oil produced in the**  
4 **state."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 **\* Section 1.** AS 43.55.201(b) is amended to read:

7 (b) The surcharge imposed by (a) of this section is in addition to the tax  
8 imposed by AS 43.55.011 and is due on the last day of the month on oil produced  
9 from each lease or property during the preceding month. The surcharge is in addition  
10 to the surcharges [SURCHARGE] imposed by AS 43.55.300 - 43.55.310.

11 **\* Sec. 2.** AS 43.55.300(a) is amended to read:

12 (a) Every producer of oil shall pay a surcharge of  
13 (1) \$.04 per barrel of oil produced from each lease or property in the  
14 state, less any oil the ownership or right to which is exempt from taxation; and

**(2) \$.01 per barrel of oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation.**

\* **Sec. 3.** AS 43.55.300(b) is amended to read:

(b) The **surcharges** [SURCHARGE] imposed by (a) of this section **are** [IS] in addition to the tax imposed by AS 43.55.011 and **are** [IS] due on the last day of the month on oil produced from each lease or property during the preceding month. The **surcharges are** [SURCHARGE IS] in addition to the surcharge imposed by AS 43.55.201 - 43.55.231.

\* **Sec. 4.** AS 43.55.310 is amended to read:

**Sec. 43.55.310. Use of revenue derived from surcharges [SURCHARGE].**

The legislature may appropriate the annual estimated balance of the account maintained under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge levied under

**(1) AS 43.55.300(a)(1)** [AS 43.55.300] to the oil and hazardous substance release prevention account in the oil and hazardous substance release prevention and response fund established by AS 46.08.010;

**(2) AS 43.55.300(a)(2) to the climate change response fund established by AS 44.19.666.**

\* **Sec. 5.** AS 43.55.900(24) is amended to read:

(24) "surcharge" means

(A) when used in AS 43.55.201 - 43.55.299, the surcharge levied by AS 43.55.201;

(B) when used in AS 43.55.300 - 43.55.310, the **surcharges** [SURCHARGE] levied by AS 43.55.300;

\* **Sec. 6.** AS 44.19 is amended by adding new sections to read:

**Sec. 44.19.650. Establishment of commission; composition.** (a) The Alaska Climate Change Response Commission is established in the Office of the Governor.

(b) The commission consists of 11 members as follows:

(1) the commissioner of fish and game;

(2) the commissioner of environmental conservation;

(3) the commissioner of natural resources;

(4) the commissioner of commerce, community, and economic development;

(5) the commissioner of transportation and public facilities;

(6) the director of the division in the Department of Commerce, Community, and Economic Development responsible for community and regional affairs;

(7) five members appointed by the governor who are mayors or members of an assembly or council of a municipality from each of the following general regions:

(A) Southeast;

(B) Southcentral;

(C) Southwest;

(D) Interior; and

(E) Far North.

(c) Members appointed under (b)(7) of this section

(1) serve staggered terms of three years, until reappointed or replaced;

(2) serve at the pleasure of the governor; and

(3) may be reappointed.

(d) The commission shall, by majority vote of the membership, elect co-chairs. One co-chair shall be a member appointed under (b)(7) of this section, and one co-chair shall be a member designated under (b)(1) - (6) of this section.

(e) If a member appointed under (b)(7) of this section no longer meets the qualifications prescribed in (b)(7) of this section, or, if a vacancy exists among those members for any reason other than the expiration of a member's term, the governor shall, within 30 days after the occurrence of the vacancy, make an appointment, effective immediately, for the unexpired portion of the term. An appointment by the governor made under this subsection to fill an unexpired term must comply with the requirements of (b)(7) of this section.

**Sec. 44.19.652. Compensation.** Members of the commission serve without compensation but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

1           **Sec. 44.19.654. Meetings.** Three members appointed under  
2 AS 44.19.650(b)(7) and three members designated under AS 44.19.650(b)(1) - (6)  
3 constitute a quorum for conducting business and exercising the powers of the  
4 commission. The commission shall meet at least quarterly, at the call of the chair, at  
5 the request of the majority of the members, or at a regularly scheduled time as  
6 determined by a majority of the members. The commission shall keep a record of its  
7 proceedings and make these records available for public inspection.

8           **Sec. 44.19.656. Alternate members.** (a) Each member of the commission  
9 shall have a permanent alternate to serve at meetings of the commission as follows:

10                   (1) for a member appointed under AS 44.19.650(b)(7), the governor  
11 shall appoint a permanent alternate who, at the time of appointment and throughout  
12 the period of service as a permanent alternate, is the mayor or a member of the  
13 assembly or council of a municipality within the region from which the permanent  
14 member was appointed; in appointing a permanent alternate under this paragraph, the  
15 governor shall consider the recommendations of the member appointed under  
16 AS 44.19.650(b)(7);

17                   (2) for a member designated under AS 44.19.650(b)(1) - (5), a deputy  
18 commissioner of the relevant department or the director of a division of the  
19 department; and

20                   (3) for a member designated under AS 44.19.650(b)(6), the member's  
21 designee within that office.

22           (b) A member of the commission who is unable to attend a meeting shall  
23 advise the permanent alternate who may attend the meeting and act in the place of the  
24 member.

25           **Sec. 44.19.658. Executive director.** The commission may employ an  
26 executive director who serves at the pleasure of the commission. The executive  
27 director may not be a member of the commission. The executive director may contract  
28 with or employ personnel or consultants that the executive director considers  
29 necessary to carry out the powers and duties of the commission. The executive  
30 director is in the exempt service under AS 39.25 (State Personnel Act).

31           **Sec. 44.19.660. Powers of the commission.** The commission may

(1) apply for and accept grants, contributions, and appropriations, including application for and acceptance of federal, international, or private funds that may become available for financing infrastructure adaptation, renewable energy technology, community relocation, food and transportation security, education and research, or other needs related to climate change;

(2) contract for necessary services;

(3) consult and cooperate with

(A) public or private persons, organizations, and groups interested in, affected by, or concerned with climate change effects and response;

(B) climate scientists holding PhDs who are affiliated with an academic or nonprofit institution; and

(C) agents and officials in the different regions of the state and federal and state agencies concerned with or having jurisdiction over climate change effects and response;

(4) establish the duties of the executive director of the commission;

(5) assess fees for grant writing and other assistance; and

(6) take any reasonable action necessary to carry out the provisions of AS 44.19.650 - 44.19.670.

**Sec. 44.19.662. Duties of the commission.** The commission shall

(1) advise the Office of the Governor on the preparation and implementation of a statewide climate change strategy that includes identification of areas in the state that are particularly vulnerable to the effects of climate change and options for assistance to the communities in those areas;

(2) provide grant writing and general assistance to governmental and nongovernmental entities in the state on climate change response issues, prioritizing assistance to rural governments, nonprofits serving rural areas, and tribal organizations;

(3) develop a program for the distribution of funds in the climate change response fund to assist local governments to respond to climate change effects;

(4) establish continuing coordination among state agencies to facilitate

the development and implementation of the climate change response strategy;

(5) coordinate with the University of Alaska in efforts to seek out grants or other aid for climate change education and research;

(6) inform the public of available assistance for responding to climate change effects, including an outreach program to rural governments, nonprofits serving rural areas, and tribal organizations;

(7) advance the implementation of technology that provides for renewable energy, local food systems, and adaptive infrastructure in the state by recommending legislation and policies to incentivize its development;

(8) monitor and report on the effects of climate change on existing infrastructure, ecosystems, geophysical features, and communities in the state;

(9) identify opportunities to reduce greenhouse gas emissions from in-state sources, including the expanded use of alternative fuels, energy conservation, energy efficiency, renewable energy, land use management, and transportation planning; and

(10) recommend legislative and administrative action to implement the climate change response strategy.

**Sec. 44.19.664. Fees.** The commission shall adopt regulations under AS 44.62 to establish fees for grant writing or other assistance provided by the commission. The fees must be based on a sliding scale formula that takes into account the client's need. Governmental and tribal entities may not be charged a fee.

**Sec. 44.19.666. Climate change response fund.** The climate change response fund is established in the state general fund. The fund consists of money appropriated to the fund by the legislature from the surcharge under AS 43.55.300(a)(2) and other sources. The commission shall administer the fund and use the fund for the purposes of the commission, without further appropriation. Appropriations to the fund do not lapse.

**Sec. 44.19.668. Annual report and recommendations.** The commission shall submit to the governor and the legislature an annual report of the activities of the commission for the previous calendar year that includes any recommendations for legislative and administrative action. The commission shall submit a report provided

1 under this section not later than February 1 of each year. The commission shall deliver  
2 the report to the senate secretary and the chief clerk of the house of representatives and  
3 notify the legislature that the report is available.

4 **Sec. 44.19.670. Definition.** In AS 44.19.650 - 44.19.670, "commission" means  
5 the Alaska Climate Change Response Commission.

6 \* **Sec. 7.** AS 46.08.020(a) is amended to read:

7 (a) The legislature may appropriate from the following sources to the  
8 prevention account in the fund:

9 (1) the annual estimated balance of the account maintained under  
10 AS 37.05.142 for deposits into the general fund of the proceeds of the oil conservation  
11 surcharge levied by AS 43.55.300(a)(1) [AS 43.55.300];

12 (2) money received from other state sources, from federal or other  
13 sources, or from a private donor;

14 (3) money recovered or otherwise received from parties responsible for  
15 the containment and cleanup of oil or a hazardous substance at a specific site, but  
16 excluding money

17 (A) from performance bonds and other forms of financial  
18 responsibility held in escrow pending satisfactory performance of a privately  
19 financed response action; and

20 (B) described in AS 46.08.025(a)(3);

21 (4) fines, penalties, or damages recovered under AS 46.08.005 -  
22 46.08.080 or other law for costs incurred by the state as a result of the release or  
23 threatened release of oil or a hazardous substance; and

24 (5) the interest earned on the balance of the accounts maintained under  
25 AS 37.05.142 for deposits into the general fund from the proceeds of the surcharges  
26 levied under AS 43.55.201 and 43.55.300(a)(1) [43.55.300].

27 \* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to  
28 read:

29 ALASKA CLIMATE CHANGE RESPONSE COMMISSION; STAGGERED  
30 TERMS. Notwithstanding AS 39.05.055, the governor shall appoint the initial members of the  
31 Alaska Climate Change Response Commission under AS 44.19.650(b)(7) to staggered terms

as follows:

- (1) two members shall be appointed to serve three years;
- (2) two members shall be appointed to serve two years; and
- (3) one member shall be appointed to serve one year.

\* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: WRITTEN INFORMATION FROM CLIMATE CHANGE SUB-CABINET. The governor shall provide all written reports, recommendations, and research developed by the Climate Change Sub-Cabinet established under Administrative Order No. 238 to the Alaska Climate Change Response Commission established under AS 44.19.650 within 30 days after the effective date of this Act.

\* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTION. The revisor of statutes is requested to change the heading of

- (1) art. 3 of AS 43.55 from "Additional Conservation Surcharge on Oil" to "Additional Conservation Surcharges on Oil"; and
- (2) AS 43.55.300 from "Surcharge levied" to "Surcharges levied."